

# NEC ACTION REPORT

National Economic Council, Inc., 7501 Empire State Bldg., New York 1, N. Y.

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## NEC FIGHTS 'LABOR EXTENSION BILL'

### Brands Measure as Treasury Raid for Private Purposes

Dr. H. M. Griffiths, NEC spokesman, appeared April 27 before the Subcommittee on Education of the House Committee on Education and Labor to propose two identical measures commonly called the "Labor Extension Bill," introduced by Rep. R. J. Madden (Dem.) of Indiana, and by Rep. T. C. Tollefson (Rep.) of Washington.

The Bill proposes to establish Federal and State machinery for "Labor Education," with appropriations of \$10 million first year, \$20 million second year, \$30 million third year. These sums were described by supporters of the bill in the CIO as "modest beginnings."

Theory of bill is that "labor education" under joint supervision of designated labor unions and colleges will produce better labor leaders, hence result in industrial harmony.

NEC expressed opposition to the bill as "an indefensible raid upon the public treasury for private purposes." Excerpts from Dr. Griffiths' statement:

"The proposals of this bill envisage a further infusion of the authoritarian, father-state security principle into our national life. . . . It represents a further extension of the Federal government into an area reserved by the Constitution for the states and individual citizens. . . .

"The bill proposes to weaken the balance of our Federal-State edifice, which is one of our main bulwarks against the conception of a unitary welfare state, by creating another bureaucracy. What this country needs today is not more bureaucracy, but less bureaucracy.

"If you will examine the bill carefully, you will note that the private purposes are actually set forth in it. It is an attempt to use the money of all for the benefit of some. . . ."

After quoting a radio speech of Rep. Tollefson to show that purpose of the bill is to educate labor leaders, Griffiths replied to the contention that just as Federal education is given farmers, there ought to be "labor education" too:

"The difference is . . . that the farmer is taught how to get more out of the soil, while this bill aims to educate union agents how to get more out of the employer. But training them to get more from employers is no Federal function, any more than it would be for the Federal government to give money to educate management to persuade wage-earners to work for less."

As for the "harmony" predicted as a result of such legislation, Griffiths said: "So-called 'labor education' is not that impartial, fact-finding, mind-broadening activity rightly called education. It is high-powered propaganda for 'labor's point of view' and its effect is to divide Americans along class lines . . . thus introducing new frictions and irritations into our national life—and all at the expense of the taxpayer."

The alternative suggested by NEC: those who wish general or technical training should get it on same basis as other citizens. If labor organizations wish better-trained union leaders they could, with more than \$200 million income annually, well afford to establish their own labor schools.

Although strong support has come for the bill from the AFL, CIO and other unions, check of Committee after NEC appearance indicated it would have tough going. *NEC was the only organization to appear against the bill, except for one group that approved principle but objected to details.*

### What You Can Do

Write to your Senators and Representative, telling them what you think of idea of training labor leaders with your tax money.

## U. S. A. IMPERILED, HART WARNS DETROIT GROUP

### Infiltration Exposed

NEC President Merwin K. Hart on April 23 warned more than six hundred Detroiters of the peril in which America stands due to infiltration of communist groups and ideas. Occasion was the 184th Annual Dinner of Zion Lodge No. 1, F. and A.M.

While his audience listened with intense attention, Hart outlined the world situation, showing how since 1945 the fruits of military victory have been thrown away by a stupid and bungling U. S. diplomacy which refused to recognize the obvious designs of the Soviet Union.

Citing specific communist infiltration into American government, education, churches, even business, he declared:

"One businessman, the head of an investment firm has told me twice, with complete confidence, that he is not afraid of Communism—he can do business with any kind of government. Said he to me, 'When Communism comes I intend to be a commissar.' And he really thinks he will be."

Much of the futility of the opposition to communist infiltration is due, Hart charged, to timidity of businessmen "about raising their voices on public questions." They have left this, he said, to "men of lesser knowledge, ability and character" who are "more self assertive, more vocal."

In conclusion he solemnly warned that "we have drifted far from the faith of our fathers" and that only vigilance, accompanied by a return to the "foundation of the Ten Commandments, the Sermon on the Mount and the Golden Rule" can preserve America as a free nation.

If you wish extra copies of this Report we shall be glad to send them on request. Two copies free, 10 for 25c, 50 for \$1.

## DIALOGUE IN BRITISH HOUSE OF COMMONS

The following dialogue took place on the floor of the House of Commons on April 27, as recorded in "Hansard," the official record of proceedings, during the period given over to the questioning of Government leaders by Members:

"Sir W. Smithers asked the Chancellor of the Exchequer to what extent His Majesty's Government are free to spend the £331,000,000 of Marshall aid; to what extent that expenditure is already decided by the terms of the aid; and the amounts of both these categories.

"Mr. Jay: The distribution of Marshall aid, both as between countries and as between commodities, will be determined by the Economic Co-operation Administrator. The figures recently published in the Press were drawn from documents submitted by the United States Administration to the Congress illustrating the possible effect of the legislation proposed, and were specifically described as tentative and illustrative and not binding upon the Economic Co-operation Administrator.

"Sir W. Smithers: In view of the fact that the Government squandered the American Loan—

"Mr. Skeffington-Lodge: Nonsense.

"Sir W. Smithers: —can the Minister assure us that Marshall aid will only be used for essential and absolutely vital purposes? Is he also aware that I will do all in my power to try to get conditions imposed in America to prevent Marshall aid going down the Socialist drain?

"Sir W. Smithers: On a point of Order; in view of the unsatisfactory nature of the reply, I beg to give notice that I will raise the matter on the Adjournment."

Many members of the House of Commons and the National Economic Council are not far apart in their thinking.

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In late April, in the House of Commons Sir Waldron Smithers quoted at some length from Hart's broadcast of February 23, 1948 on the Marshall Plan.

## Straws in the Wind . . .

Communists are not happy over convictions for contempt of Congress obtained in the cases of John Howard Lawson and Dalton Trumbo, movie script writers, and probable conviction of others, including a third Hollywood writer, Albert Maltz. These strike at the heart of communist propaganda's most cherished technique: to infiltrate circles which mass-produce ideas. . . .

Neither are Reds happy about the Mundt Bill, with the prospect that the foreign conspiracy masquerading as a political party may have to go out of business. The charge made by innocents that this would "drive the Communists underground" is reported to have brought only wry smiles to the faces of communist leaders. Deep underground already in their secret machinations, they could hardly be "driven" deeper. But they prize the visibility and propaganda opportunities that come with having a "political party" and know that tearful appeals to the civil liberties they are sworn to destroy will not equal in value the propaganda outlets of which the Mundt Bill will deprive them. . . .

Comment by Leonard Lyons, columnist in the New Dealish *New York Post*: "Critics of the New Deal who used to complain that no work was being accomplished by Roosevelt appointees, now know the reason why. A glance at the recent book offerings show they were too busy writing diaries." . . .

Another columnist, "Cholly Knickerbocker" (Igor Cassini) of the *New York Journal-American* caused some faces to get redder on May 6 when he said: "In his speeches Wallace says he's backed by the 'nickels and dimes of the little people,' but he isn't doing so bad also with society, finance and industry. . . . According to reports, the big contributors to the Wallace fund during the first two months of the year were Nina Dexter of Los Angeles, \$5,000; Barbara Klein, New York, \$5,000; Bernard L. Ades, New York, \$5,000; Frederick V. Field, once a contributing editor to the communist *New Masses*, \$5,000; Robert and Vera Sales, New York, \$5,000; Mrs. Frazier McCann, New York, \$2,500; Miles Shoreover, New York, \$2,500." . . .

The much publicized deportation of Gerhart Eisler and four other foreign born Communists has hit a snag which may mean that the five will remain free on bail to roam the U. S. A., speaking, organizing communist activities in unions and elsewhere, for months or years to come. Federal Judge T. Alan Goldsborough has ruled that they are entitled to hearings by some other agency than the Immigration Service. Now the Dept. of Justice must appeal all the way to the Supreme Court. If Goldsborough is reversed, then the five deportees may in turn appeal the actual order on other grounds all the way up. The five, who may be free for another eighteen months or more, are, besides Eisler, Irving Potash, vice-president of the International Fur and Leather Workers Union, CIO; Ferdinand Smith, secretary of the National Maritime Union, CIO; John Williamson, secretary of labor affairs for the Communist Party; and Chas. A. Doyle, official of the Gas, Coke and Chemical Workers Union, CIO. . . .

### Quotation of the Month:

"Let the American youth never forget that they possess a noble inheritance, bought by the toils and sufferings and blood of their ancestors. . . . The structure has been erected by architects of consummate skill and fidelity. . . . It has been reared for immortality. . . . It may, nevertheless, perish in an hour by the folly or corruption, or negligence of its only keepers, the people. Republics are created by the virtue, public spirit, and intelligence of the citizens. They fall when the wise are banished from the public councils, because they dare to be honest, and the profligate are rewarded, because they flatter the people in order to betray them." (Justice Joseph Story, in *Commentaries on the Constitution of the United States*. 1833.)